

Message Text

SECRET

PAGE 01 FRANKF 06090 031221Z
ACTION INR-05

INFO OCT-01 SS-14 ISO-00 EUR-08 NSC-05 CIAE-00 EB-04
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TO SECSTATE WASHDC PRIORITY 2798
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S E C R E T FRANKFURT 6090

LIMDIS

E.O. 11652: GDS
TAGS: EGIN, GW, PL
SUBJECT: POLISH REQUEST FOR A GERMAN CREDIT AND STATUS OF
SYNDICATED BOP LOAN FOR POLAND

REF: (A) STATE 190624, (B) WARSAW 5416, (C) BONN 5575
(D) 77 FRANKFURT 8719, (E) 77 FRANKFURT 6454

1. FRANKFURT BANKING COMMUNITY, INCLUDING TOP ECHELON
OF DRESDNER AND COMMERZ, PROFESS TO NEITHER KNOW NOR
EVEN HAVE HEARD RUMORS OF A MAJOR NEW SYNDICATION FOR
POLAND (REFS A AND D), OVER AND ABOVE THE PACKAGE
ORIGINALLY AGREED TO DURING GIEREK'S JUNE 1976 VISIT TO
BONN, STATUS OF WHICH, ACCORDING OUR DRESDNER SOURCE,
WAS REVIEWED DURING SCHMIDT'S WARSAW VISIT IN
DECEMBER, 1977. IN FACT, WE ARE TOLD THAT EVEN NOW
MOST OF THE CREDIT FOR THE COAL GASIFICATION PROJECT
HAS NOT BEEN DRAWN DOWN BECAUSE OF PERSISTING INTERNAL
DIFFERENCES WITHIN AND AMONG POLISH MINISTRIES AS
TO TECHNOLOGY TO BE BOUGHT.

2. ALL OUR SOURCES ARE STRONGLY NEGATIVE RE POSSIBILITY
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PAGE 02 FRANKF 06090 031221Z

THAT BIG GERMAN BANKS WOULD PARTICIPATE IN FURTHER
LARGE CREDIT FOR POLES. SENIOR COMMERZ BANK OFFICIAL
SAYS FLATLY THAT COMMERZ WOULD NOT TAKE PART AND THAT
SAME IS TRUE FOR DRESDNER AND DEUTSCHE BANK. TOP LEVEL
DRESDNER SOURCE INDEPENDENTLY CONFIRMS SAME ATTITUDE.
GERMAN BANKERS CONSIDER THAT POLES HAVE BORROWED SO
HEAVILY THAT THEY NOW HAVE A SERIOUS PROBLEM IN

SERVICING THEIR EXISTING DEBT. FOR THEIR PART THE BIG GERMAN BANKS FEEL THEY ARE NOW SO HEAVILY COMMITTED IN POLAND THAT THEY WOULD NOT BE WILLING TO INCREASE THEIR EXPOSURE.

3. AT THE SAME TIME A SENIOR GERMAN BANK OFFICIAL SUGGESTS THAT AMERICAN BANKS ARE NOT NEARLY AS EXPOSED IN POLAND AS GERMANS ARE AND THEREFORE MIGHT BE MORE WILLING TAKE THE LEAD IN ORGANIZING A NEW POLISH LOAN, PERHAPS WITH PARTICIPATION OF SMALLER GERMAN BANKS, BUT NOT THE BIG ONES. (WE WILL TAKE SOME ADDITIONAL SOUNDINGS IN AMERICAN BANKING COMMUNITY BUT OUR FIRST READING IS THAT AMERICAN BANKERS ARE VERY MUCH AWARE OF SIZEABLE CURRENT POLISH DEBT AND THE ASSOCIATED SERVICING PROBLEM.)

4. NOTWITHSTANDING THE FOREGOING TOP LEVEL COMMERZ BANK SOURCE TELLS US THAT GERMAN FINANCIAL COMMUNITY IS AWARE OF THE FACT THAT GIREECK HAS A PROBLEM WHICH IF NOT SOLVED COULD HAVE SERIOUS POLITICAL REPERCUSSIONS. IF SO, HOWEVER, HE FEELS THE SOLUTION WOULD HAVE TO BE ESSENTIALLY A POLITICAL ONE RATHER THAN EXTENSION OF ADDITIONAL COMMERCIAL CREDIT. LEHMANN

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